

(e) The Government of India proposes to increase economic cooperation through regular exercises such as Joint Commission meetings and Joint Working Group meetings in the field of Coal and Mines etc. undertaken by different Administrative Ministries/Departments in the Central Government, as also by identifying various projects for coverage under future Indo-French Protocol financing.

As regards steps to increase the Indo-French Cultural cooperation, Draft of the next Cultural Exchange Programmes for the years 1997, 1998 and 1999 has been prepared and sent to the French side for their response, to enhance cultural cooperation during the next three years.

[English]

#### Norms for Overseas Investment

1242. DR. KRUPASINDHU BHOI : Will the Minister of COMMERCE be pleased to state :

- (a) whether the Reserve Bank of India (RBI) has further liberalised the norms for overseas investments;
- (b) if so, the details of new guidelines formulated in this regard; and
- (c) the date from which the new guidelines are going to be made effective?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) to (c) Based on the Government of India's Notification dated 7.11.96, the RBI have implemented liberalized norms for overseas investments. These relaxations include : (i) extending the benefit of the Fast Track Route under the scheme also to those Indian Corporates which have foreign exchange earnings other than exports earnings, (ii) taking into account the export performance/foreign exchange earnings of the parent or subsidiary company of those applicants, which do not have the requisite export/foreign exchange earning track record for Fast Track clearance, (iii) computation of the period of five years for pay-back of investments by way of dividends, fees, etc. with effect from the date of remittance of equity rather than the date of approval of the investment. Besides, the mandatory requirement of obtaining a project/feasibility report from the designated agencies for submission of application to the Reserve Bank has been dispensed with; instead, a statement from a Chartered Accountant verifying the ratios/projections is only to be furnished.

Some additional norms for overseas direct investment in the financial sector have also now been prescribed. Financial service companies proposing to set up joint ventures/subsidiaries abroad will have to meet the following additional requirements :

- (a) They should have a good track record of a minimum of three years and should be

registered with the Securities and Exchange Board of India as a Category-I Merchant Banker or with the Reserve Bank of India as a Non-Banking Finance Company.

- (b) They should have a minimum networth of Rs. 15 crores.
- (c) They must fulfil the prudential norms of capital adequacy ratio of 8 per cent.

Subsidiaries of Indian financial institutions which conform to the above norms are also eligible to apply for overseas investment.

#### Public Issue of Bank of India

1243. SHRI RAMASHRAYA PRASAD SINGH : Will the Minister of FINANCE be pleased to state :

- (a) whether Bank of India will open a public issue;
- (b) if so, the details thereof; and
- (c) the total profit earned by it during the last three years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) Bank of India's Equity issue of 15,00,00,000 shares amounting to Rs. 675/- crore opened on 21.02.1997. The closing date is 28.02.1997. Equity shares are offered at Rs. 10/- per share with a premium of Rs. 35/- per share leading to an issue price of Rs. 45/- per share.

(c) The profits earned by Bank of India during the last 3 years are as under :

Year	Operating Profit	Net Profit (Rs. in crores)
31.3.94	164.69	(-) 953.50
31.3.95	317.09	50.35
31.3.96	473.86	276.48

(-) signifies loss.

#### Cotton Stocks

1244. SHRI NARAYAN ATHAWALAY : Will the Minister of TEXTILES be pleased to state :

- (a) whether stocks of cotton are piling up due to bumper crop during the current year and slow releases of export quotas and less demand by the textile mills as compared to last year;
- (b) if so, the details thereof; and
- (c) the target set for export of cotton during the current year and the quota released to the State Governments so far, State-wise?

**THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA):** (a) The Cotton Advisory Board in its meeting on 24.2.97 has estimated the current crop size to be 160 lakh bales. Daily arrivals of cotton in the market are heavy. Government released substantial export quotas early in the season and even subsequently, in order that there may not be piling of stocks, particularly in view of relatively slow demand for cotton from mills.

(b) Does not arise.

(c) No target is set for export of cotton by the Government. However, export quotas for cotton are announced by the Government after taking into consideration all relevant factors, including estimates of production, availability, consumption likely surplus, price trends, etc. No export quota is released to the State Governments. However, an export quota of 12.20 lakh bales of cotton has been released to various State Federations and other agencies during the current cotton season 1996-97 as on date.

#### Tariff Commission

1245. **SHRI SARAT PATTANAYAK :** Will the Minister of INDUSTRY be pleased to state :

(a) whether the Government are considering to set up a Tariff Commission to examine tariff reforms;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

**THE MINISTER OF INDUSTRY (SHRI MURASOLI MARAN) :** (a) and (b) Yes, Sir. The Government has decided on establishment of an autonomous Tariff Commission under the Ministry of Industry. Government have also decided to refer the matter pertaining to the terms of reference for the Commission to the Committee of Secretaries.

(c) Does not arise.

#### ODA from Japan

1246. **SHRI S.D.N.R. WADIYAR :**

**SHRI MANIKRAO HODLYA GAVIT :**

**SHRI MANIBHAI RAMJIBHAI CHAUDHARI :**

Will the Minister of FINANCE be pleased to state :

(a) whether the Government are getting Official Development Agency (ODA) assistance from Japan for 11 projects;

(b) if so, what are those projects;

(c) the total amount of ODA assistance likely to be obtained from Japan in financial year 1997/98;

(d) whether similar loan was taken by the Government in the financial year 1996-97; and

(e) if so, for which projects and the progress of these projects as on date?

**THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) :** (a) and (b) The Government of Japan is providing Official Development Assistance (ODA) to the Government of India for the following 11 projects during 1996-97 :

(Yen Mill.)

1. Northern India Transmission System Project	8,497
2. West Bengal Transmission System Project	11,087
3. Umiam Hydro Power Station Renovation Project	1,700
4. Tuirial Hydro-Electric Power Station Project	11,695
5. Simhadri Thermal Power Station Project	19,817
6. Delhi Mass Rapid Transport System Project	14,760
7. Calcutta Transport Infrastructure Development Project	10,679
8. Eastern Karnataka Afforestation Project	15,968
9. Tamil Nadu Afforestation Project	13,324
10. Kerala Water Supply Project	11,997
11. Rajghat Canal Irrigation Project	13,222

(c) The total amount of ODA likely to be made available by Government of Japan to Government of India for the financial year 1997-98 is not known.

(d) As at (a and b) above.

(e) Loan agreements for the 11 projects have been signed on 25.2.1997.

#### Waiver of Loans of CIL

1247. **SHRI JAGMOHAN :** Will the Minister of COAL be pleased to state :

(a) whether any proposal has been made by Coal India Ltd. for waiver of the huge tax payment in the form of 'grants' or 'loans'?

(b) if so, the details of the plan; and

(c) the reaction of the Government thereon?

**THE MINISTER OF STATE OF THE MINISTRY OF COAL (SHRIMATI KANTI SINGH) :** (a) No, Sir.

(b) and (c) Do not arise in view of the answer to part (a) above.

#### Duty Evasion

1248. **SHRI SANAT KUMAR MANDAL :**

**SHRI RAMSAGAR :**

Will the Minister of FINANCE be pleased to state

(a) whether the adjudicating authority of the Customs Department has taken seven years to complete the hearing on the alleged evasion of duty by the Reliance Industries Ltd. (RIL) and has asked the Company to pay Rs. 16.4 crore excise duty payable for removing partially-oriented yarn (POY) from its Patalganga plant;